



**ARROW  
MINERALS**

**HALF YEAR CONDENSED FINANCIAL REPORT  
31 DECEMBER 2020**

**ABN 49 112 609 846**

## Directors

Dr Frazer Tabeart	Non-Executive Chairman
Howard Golden	Managing Director
Thomas McKeith	Non-Executive Director

## Joint Company Secretaries

Catherine Grant Edwards and Melissa Chapman

## Registered Office

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Claremont WA 6010  
Telephone (08) 9383 3330  
Facsimile (08) 9486 4799  
Email [info@arrowminerals.com.au](mailto:info@arrowminerals.com.au)

## Auditors

Pitcher Partners BA&A Pty Ltd  
Level 11, 12-14 The Esplanade  
Perth WA 6000

## Bankers

National Australia Bank Limited  
Level 14, 100 St Georges Terrace  
Perth WA 6000

## Share Registry

Advanced Share Registry Service  
110 Stirling Highway  
Nedlands WA 6009

## Stock Exchange Listing

The Company is listed on the Australian Securities Exchange Limited (**ASX**)

**ASX: Code:** AMD

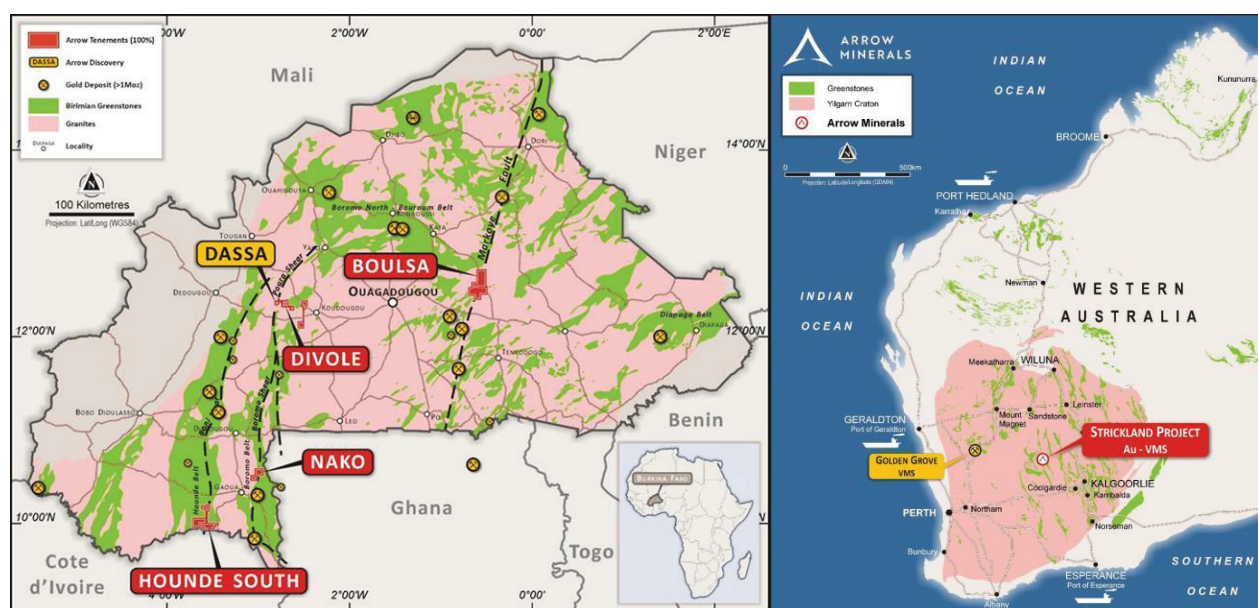
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## Directors' Report

### REVIEW OF OPERATIONS

During the half year period the COVID-19 epidemic continued to affect the way work was undertaken in the Arrow Minerals Limited (**Arrow** or the **Company**) (ASX: **AMD**) head office in Perth as well as in field and office operations in Burkina Faso and at remote sites in Western Australia. By implementing procedures to limit physical contact and following government regulations Arrow has accomplished significant advances in exploration activities with no accidents or illnesses.

Two programmes of reverse circulation (RC) drilling were completed at the 100% owned Dassa gold discovery in Burkina Faso. Simultaneously, an earn-in agreement was finalised with Roxgold to advance the Houde South gold project, also in Burkina Faso. The Company also announced a binding term sheet defines terms for an exploration joint venture with Trevali Mining Corporation in Burkina Faso, as laid out in the Events After the Balance Sheet section. At the Strickland project in Western Australia, also 100% held by Arrow, copper-gold volcanogenic massive sulphide (VMS) targets were defined and advanced and are now ready for drill testing. On the other Arrow JV project, IGO Limited advanced nickel exploration work at the Plumridge project in the Fraser Range in Western Australia.

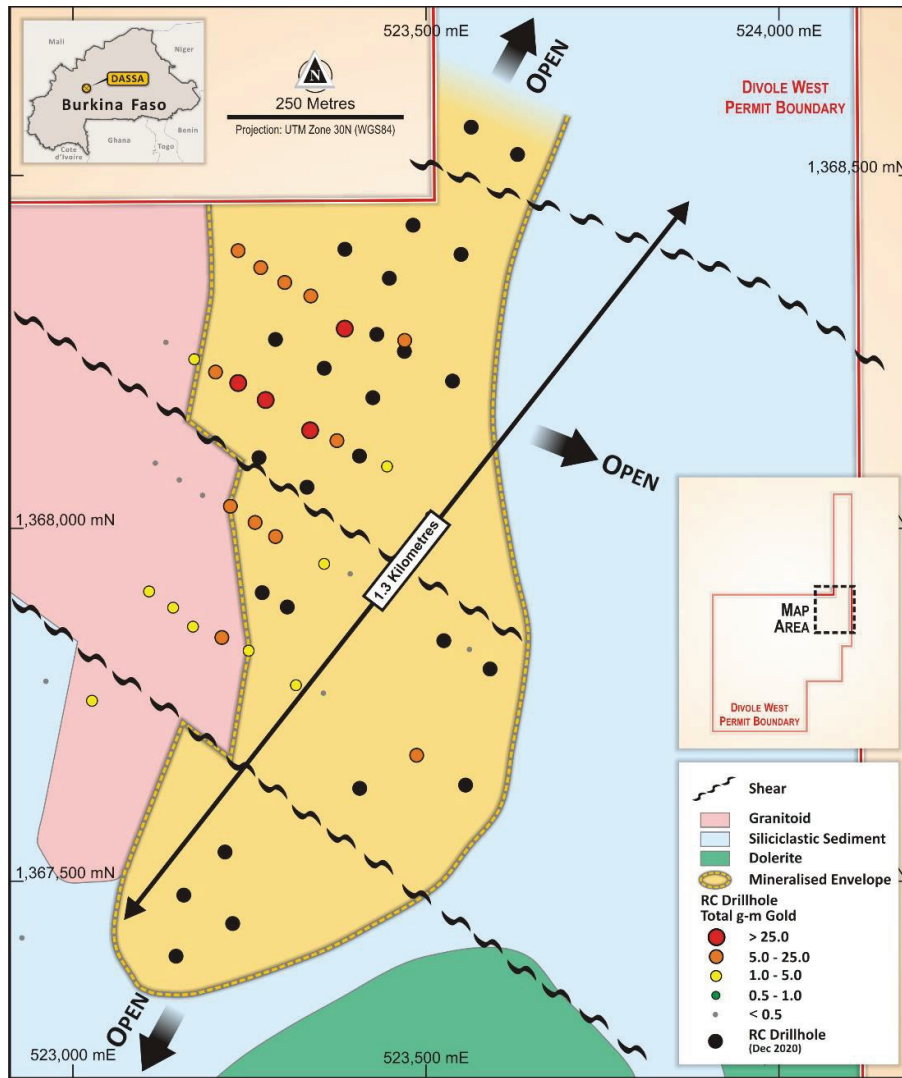


*Figure 1: Location maps of Burkina Faso projects and the Strickland project, Western Australia*

#### **DASSA PROJECT, BURKINA FASO (Divole West Project, AMD 100%)**

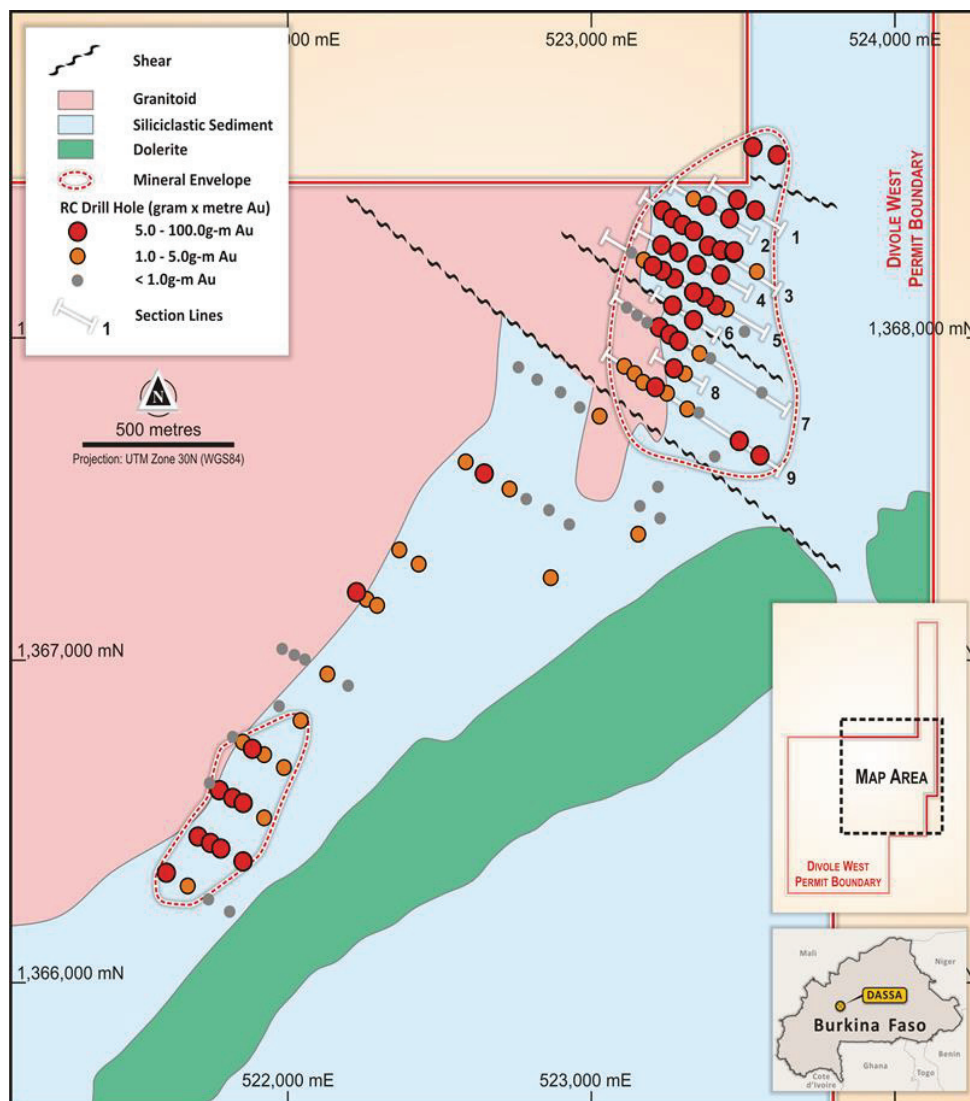
Two drilling programs were completed at Dassa: 2,215m of RC drilling in July and August 2020, followed by 4,003m of RC drilling in late December 2020 through early February 2021. The drilling (**Figure 2**) was designed to confirm the continuity of gold mineralisation between existing widely spaced drilling profiles as well as to extend the known mineralisation from previous RC drilling at Dassa.

The Group has completed a total of 12,672m of RC drilling on the Divole West permit in Burkina Faso, which has resulted in the discovery of continuous gold mineralisation in two zones at Dassa (see ASX announcement on 25 September 2020). The most recent programme focussed on the northern Dassa zone that extends for more than 500m along strike and is open to the north, south and down-dip. Results of this drilling were announced on 4 March 2021 (refer 'Events After the Balance Date' for details).



**Figure 2: Dassa geology with previous RC drilling (as Au g-m) and planned RC drill holes**

235 new auger samples have also been collected from the top of the saprolite layer immediately to the south of the Dassa gold discovery. The results show a continuous corridor of gold anomalism, much of it greater than 0.5 ppm Au up to a maximum of 0.85 ppm Au, over a strike length of more than 5 km. This corridor reflects auger results from work completed in 2018 by Boromo Gold Ltd (acquired by Arrow in 2019) and this most recent programme. It extends the known gold anomaly by more than 2 km and provides further targets for drill testing as shown in **Figure 3**.



**Figure 3: All completed Dassa drill holes with gold expressed in gm Au.**  
*Recently completed drilling was completed in the northern Dassa mineralised zone above*

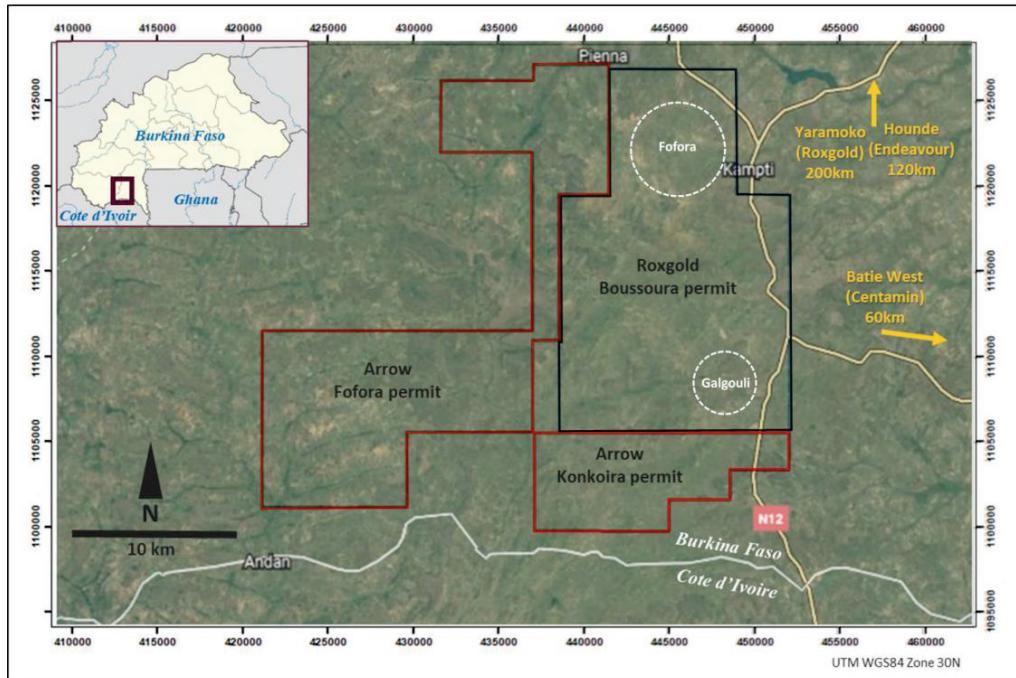
#### **HOUNDE SOUTH JOINT VENTURE PROJECT (AMD 100%, Roxgold earning in to 70%)**

An Earn-in Agreement with Roxgold Inc. (TSX: ROXG) (Roxgold) on the Hounde South permits in Burkina Faso was executed on 7 August 2020. Roxgold can earn a 70% interest in Arrow's Hounde South Project (Project) after exploration expenditure of up to US\$1 million (~A\$1.4 million) in two stages over four years.

The Project consists of two exploration licences (the Fofora and Konkaira permits) adjacent to Roxgold's Boussoura permit in southwest Burkina Faso (see **Figure 4**).

Refer the reader to the press release for detail.





*Figure 4: Hounde South earn-in project showing Roxgold and Arrow licenses*

During the half year period a reconnaissance visit by a joint Arrow-Roxgold team was completed. Roxgold is planning an aggressive exploration programme on the earn-in permits during calendar year 2021 including up to 22,000m of auger drilling and follow-up RC drilling on anomalous results.

**As noted in the Events After the Balance sheet section below, signed a binding term sheet that sets out terms for an exploration joint venture with Trevali Mining Corporation (TSX: TV) (Trevali) wherein both parties receive reciprocal exploration rights to their exploration permits in a highly prospective gold belt in Burkina Faso. The Agreement covers eight exploration licences, and provides for Arrow to perform gold exploration over the Trevali permits with a reciprocal arrangement for Trevali to undertake base metals exploration on Arrow's permits.**

#### **STRICKLAND PROJECT, WESTERN AUSTRALIA**

The company completed a helicopter-borne SkyTEM electromagnetic survey at the Strickland copper-gold project in late September 2020, and identified seven significant conductivity anomalies. The survey was designed to test strong geochemical signatures consistent with volcanogenic massive sulphide (VMS) copper-gold mineralisation identified in analysis of historical data. All seven conductive anomalies are shallow and correspond with geochemical and/or geological environments favourable for VMS mineralisation. Drill pads have been prepared for an initial program of RC drilling to test these targets.

## PLUMRIDGE NICKEL PROJECT (AMD 10%, IGO Limited 90%)

### Summary

The Plumridge joint venture with Independence Group NL (ASX: IGO) (IGO) advanced during the half year. The following exploration activities were completed by IGO Limited (IGO) within the IGO – Arrow Minerals Ltd (AMD) Joint Venture on tenements: E39/1710, E39/1731, E28/2266 and E28/1475.

- Diamond Drilling: 3,039m.
- Aircore Drilling: 37 holes for 887m
- Moving Loop Electromagnetics (MLEM): Six surveys completed.
- Down Hole Electromagnetics (DHEM): Surveys carried out on all completed diamond holes.
- Rehabilitation: 36.7 line-km of track rehabilitation completed.

Planned work for the next reporting period will comprise:

- Comprehensive review of AC geochemistry from Cerberus and planning further field exploration activities.
- Detailed diamond drill hole summaries, incorporating all previous work, geology logging, structure, geochemistry assays and geophysical reports.
- 2021 Field season planning.

### Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Howard Golden who is a Member of the Australian Institute of Geoscientists. Mr Golden is a full-time employee of the Arroe Minerals Limited (**the Company**) and has more than five years' experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves". Mr Golden consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Additionally, Mr Golden confirms that the Company is not aware of any new information or data that materially affects the information contained in the ASX releases referred to in this report.

## CORPORATE AND FINANCIAL

### Annual General Meeting

The Company held its annual general meeting of shareholders on 19 November 2020 where all resolutions put to shareholders were decided by way of a poll. For more information, refer to the Notice of Meeting available via the Company's website.

### General Meeting

The Company held a general meeting of shareholders on 19 August 2020 where all resolutions put to shareholders were decided by way of a poll. For more information, refer to the Notice of Meeting available via the Company's website.

### Fund Raising completed

As announced 16 June 2020, Arrow received commitments from sophisticated investors to raise \$2,200,000 pursuant to a placement of up to 366,666,666 fully paid ordinary shares in the Company (**Shares**) at an issue price of 0.6 cents per Share (**Placement**). The Placement was completed in two tranches as follows:

- **Tranche 1** - 229,363,148 Shares which were issued on 24 June 2020; and
- **Tranche 2** - 137,303,518 Shares were issued on 27 August 2020 (following receipt of Shareholder approval at the Company's General Meeting held on 19 August 2020).

Additionally, Arrow undertook an issue of unlisted convertible notes (**Convertible Notes**) to raise \$1,000,000. The Convertible Notes bear interest at 8% p.a. and have a maturity date of 15 June 2024 (refer Annexure 1 of the ASX Announcement dated 16 June 2020 for key terms and conditions). Shareholder approval for the issue of the Convertible Notes was obtained at the Company's General Meeting held on 19 August 2020). The Convertible Notes were issued on 26 August 2020.

The total funds raised pursuant to the Placement and Convertible Notes is \$3,200,000 (**Fund Raising**).

Proceeds from the Fund Raising will be used to fund expanded exploration and drilling programmes at its 100% owned gold exploration projects in Burkina Faso including the Dassa gold discovery, and geophysical surveys at its 100% owned Strickland copper-gold project in Western Australia.

### Employee Share Plan

On 17 September 2020, the Company bought back, for no consideration, 3,081,250 shares previously issued under the Company's existing Employee Share Plan (**ESP**).

### Employee Securities Incentive Plan

On 11 December 2020, the Company issued 3,550,000 unlisted options exercisable at 1.00¢ expiring 11 December 2023 to employees pursuant to the Employee Securities Incentive Plan (**ESIP**). The ESIP was approved by shareholders on 11 November 2019.

### Lapse of Options

There were no options that lapsed during the period.

### Shares Released from Escrow

On 26 August 2020, 72,713,550 shares were released from escrow. These shares, which were issued to the majority vendors of Boromo Gold Ltd (as acquired 26 August 2019), were subject to 12 months escrow pursuant to the share sale agreements entered into by those vendors.



## Securities on Issue

The capital structure of Arrow, as at date of directors' report, is set out below:

### Quoted Securities

Ordinary shares on issue (ASX:AMD)	1,332,381,760
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### Unquoted Securities

Unquoted options exercisable at 1.25¢ on or before 15/10/2022	10,000,000
Unquoted options exercisable at 2.0¢ on or before 22/08/2022	120,150,000
Unquoted options exercisable at 1.45¢ on or before 22/08/2023	37,500,000
Unquoted options exercisable at 1.00¢ on or before 11/12/2023	3,550,000

### Performance Rights

Performance rights expiring 26/08/2022 (Class B)	69,682,290
Performance rights expiring 26/08/2023 (Class C)	69,682,300

### Convertible Notes

Convertible Notes	1,000,000
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## EVENTS AFTER THE BALANCE SHEET DATE

On 13 January 2021, the Company bought back, for no consideration, 2,256,250 shares previously issued under the Employee Share Scheme.

On 26 February 2021, the Company announced that it had signed a binding term sheet (**Agreement**) that sets out terms for an exploration joint venture with Trevali Mining Corporation (TSX: TV) (**Trevali**) wherein both parties receive reciprocal exploration rights to their exploration permits in a highly prospective gold belt in Burkina Faso (see ASX announcement on 26 February 2021). The Agreement covers eight exploration licences – Kikio, Kordie, Pilimpikou, Semapoun, and Viveo (100% Trevali); and Divole East, Divole West and Dyapya (100% Arrow). The Agreement provides for Arrow to perform gold exploration over the Trevali permits and a reciprocal arrangement for Trevali to undertake base metals exploration on Arrow's permits.

On 4 March 2021, the Company announced the results from its successful reverse circulation (**RC**) drilling programme recently completed at the Dassa gold deposit on the Divole West exploration permit in Burkina Faso (see ASX announcement on 4 March 2021). Drilling has expanded the gold mineralisation to a strike length of more than 900m. The shallow, mostly oxide-hosted gold mineralisation is continuous along strike and to a depth of more than 150m.

Other than the above, there have been no events subsequent to balance date of a nature that require disclosure.

## ROUNDING OF AMOUNTS TO NEAREST DOLLAR

In accordance with ASIC Corporations (Rounding in Financial/Director's Reports) Instrument 2016/191, the amounts in the directors' report and in the financial report have been rounded to the nearest dollar.

## AUDITOR'S INDEPENDENCE DECLARATION

In accordance with section 307c of the *Corporation Act 2001*, we have obtained an independence declaration from our auditors, Pitcher Partners BA&A Pty Ltd, which is included on page 11.

Signed in accordance with a resolution of the Directors.



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Howard Golden

Managing Director

Perth, 15 March 2021

**Appendix A – Schedule of Tenements as at 31 December 2020**

Tenement ID	Status	Interest
<b>Strickland Gold Project</b>		
E16/495	Granted	100%
E30/493	Granted	100%
E30/494	Granted	100%
E77/2403	Granted	100%
E77/2416	Granted	100%
E77/2432	Granted	100%
E77/2634	Granted	100%
<b>Malinda Lithium Project</b>		
E09/2169	Granted	100%
E09/2170	Granted	100%
E09/2197	Granted	100%
E09/2198	Granted	100%
E09/2283	Granted	100%
<b>Plumridge Nickel Project</b>		
E28/1475	Granted	10%
E28/2266	Granted	10%
E28/2267	Granted	10%
E28/2317	Granted	10%
E39/1084	Granted	10%
E39/1709	Granted	10%
E39/1710	Granted	10%
E39/1731	Granted	10%
E39/2088	Granted	100%

**Appendix B – Schedule of Burkina Faso Tenements as at 31 December 2020**

Tenement ID	Status	Interest
<b>Divole East &amp; West</b>		
2020-193/MMC/SG/DGCM	Renewed	100%
2020-192/MMC/SG/DGCM	Renewed	100%
19/047/MMC/SG/DGCM	Granted	100%
2020-190/MMC/SG/DGCM	Granted	100%
<b>Boulssa</b>		
18/152/MMC/SG/DGCM	Granted	100%
18/153/MMC/SG/DGCM	Granted	100%
2020-147/MMC/SG/DGCM	Granted	100%
<b>Hounde South &amp; Nako</b>		
2020-084/MMC/SG/DGCM	Granted	100%
2020-161/MMC/SG/DGCM	Renewed	100%
2020-162/MMC/SG/DGCM	Renewed	100%
<b>Gourma</b>		
17/208/MMC/SG/DGCM	Granted	100%
17/219/MMC/SG/DGCM	Granted	100%
17/220/MMC/SG/DGCM	Granted	100%
17/221/MMC/SG/DGCM	Granted	100%

**AUDITOR'S INDEPENDENCE DECLARATION  
TO THE DIRECTORS OF ARROW MINERALS LIMITED AND ITS CONTROLLED  
ENTITIES**

In relation to the independent review for the half-year ended 31 December 2020, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

This declaration is in respect of Arrow Minerals Limited and the entities it controlled during the period.

*Pitcher Partners BA&A Pty Ltd*

PITCHER PARTNERS BA&A PTY LTD



JOANNE PALMER  
Executive Director  
Perth, 15 March 2021



## Consolidated Statement of Comprehensive Income

For the half-year ended 31 December 2020

	Notes	31 Dec 2020 \$	31 Dec 2019 \$
<b>Continuing Operations</b>			
Finance income		1,088	2,500
Other income	4	396,862	26,801
Net profit/(loss) on financial assets/ liabilities measured at fair value		16,428	(3,487)
Gain on initial measurement of Convertible notes		75	-
Profit on sale of tenements		-	562,500
Loss on sale of fixed assets		-	(3,651)
Employee benefits expenses		(221,990)	(634,477)
Occupancy costs		(21,819)	(15,708)
Amortisation of right of use assets		(39,124)	(39,124)
Impairment of exploration & evaluation assets	5	(17,549)	(4,604,170)
Finance costs		(74,403)	(2,786)
Depreciation		(39,026)	(41,150)
Share based payment expenses	8	(7,719)	(67,307)
Administration and other expenses		(393,701)	(639,833)
Loss before tax from continuing operations		<b>(400,878)</b>	<b>(5,459,892)</b>
Income tax expense		-	-
Loss after tax from continuing operations		<b>(400,878)</b>	<b>(5,459,892)</b>
<b>Other comprehensive income/(loss)</b>			
Items that may be classified subsequently to profit or loss			
Movement in foreign currency translation reserve		25,994	(12,542)
Other comprehensive income/(loss) for the period		<b>25,994</b>	<b>(12,542)</b>
Total comprehensive loss for the period attributable to members of the company		<b>(374,884)</b>	<b>(5,472,434)</b>
<b>Loss per share</b>			
		<i>Cents</i>	<i>Cents</i>
– Basic and diluted loss		(0.031)	(1.080)

The above statement should be read in conjunction with the accompanying notes.

## Consolidated Statement of Financial Position

As at 31 December 2020

	Notes	31 Dec 2020 \$	30 Jun 2020 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		2,130,960	1,485,933
Other financial assets	4	100,662	324,714
Trade and other receivables		62,793	37,144
Prepayments		54,842	354,319
Right of use Assets		29,444	-
<b>Total current assets</b>		<b>2,378,701</b>	<b>2,202,110</b>
<b>Non-current assets</b>			
Exploration and evaluation assets	5	9,969,862	8,865,472
Property, plant and equipment		86,940	68,498
Right of use assets		-	68,568
<b>Total non-current assets</b>		<b>10,056,802</b>	<b>9,000,538</b>
<b>TOTAL ASSETS</b>		<b>12,435,503</b>	<b>11,202,648</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		239,474	331,978
Lease liabilities		42,450	82,428
Other financial liabilities		28,323	33,329
<b>Total current liabilities</b>		<b>310,247</b>	<b>447,735</b>
<b>Non-current liabilities</b>			
Other financial liabilities	6	1,112,235	146,333
<b>Total non-current liabilities</b>		<b>1,123,235</b>	<b>146,333</b>
<b>TOTAL LIABILITIES</b>		<b>1,422,482</b>	<b>594,068</b>
<b>NET ASSETS</b>		<b>11,013,021</b>	<b>10,608,580</b>
<b>EQUITY</b>			
Issued capital	7	43,119,268	42,347,662
Reserves		2,907,390	2,873,677
Accumulated losses		(35,013,637)	(34,612,759)
<b>TOTAL EQUITY</b>		<b>11,013,021</b>	<b>10,608,580</b>

The above statement should be read in conjunction with the accompanying notes.

## Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2020

	Issued capital payment \$	Share based translation reserve \$	Foreign currency reserve \$	Accumulated losses \$	Total equity \$
<b>As at 1 July 2019</b>	35,136,180	2,479,795	(476,281)	(27,143,032)	9,996,662
Loss for the period	-	-	-	(5,459,892)	(5,459,892)
Other comprehensive loss	-	-	(12,542)	-	(12,542)
<b>Total comprehensive loss</b>	-	-	<b>(12,542)</b>	<b>(5,459,892)</b>	<b>(5,472,434)</b>
Issue of Shares (net of costs)	5,605,171	-	-	-	5,605,171
Issue of options	-	225,735	-	-	225,735
Share based payments	-	67,307	-	-	67,307
<b>Total transactions with equity holders</b>	<b>5,605,171</b>	<b>293,042</b>	-	-	<b>5,898,213</b>
<b>As at 31 Dec 2019</b>	<b>40,741,351</b>	<b>2,772,837</b>	<b>(488,823)</b>	<b>(32,602,924)</b>	<b>10,422,441</b>
<b>As at 1 July 2020</b>	<b>42,347,662</b>	<b>2,880,068</b>	<b>(6,391)</b>	<b>(34,612,759)</b>	<b>10,608,580</b>
Loss for the period	-	-	-	(400,878)	(400,878)
Other comprehensive loss	-	-	25,994	-	25,994
<b>Total comprehensive loss</b>	-	-	<b>25,994</b>	<b>(400,878)</b>	<b>(374,884)</b>
Issue of Shares (net of costs)	771,606	-	-	-	771,606
Issue of options	-	2,783	-	-	2,783
Share based payments	-	4,936	-	-	4,936
<b>Total transactions with equity holders</b>	<b>771,606</b>	<b>7,719</b>	-	-	<b>779,325</b>
<b>As at 31 December 2020</b>	<b>43,119,268</b>	<b>2,887,787</b>	<b>19,603</b>	<b>(35,013,637)</b>	<b>11,013,021</b>

The above statement should be read in conjunction with the accompanying notes.

## Consolidated Statement of Cash Flows

For the half year ended 31 December 2020

	Note	31 Dec 2020 \$	31 Dec 2019 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payments to suppliers and employees		(719,677)	(1,203,133)
Interest income received		1,088	2,500
Other income		50,000	-
<b>Net cash used in operating activities</b>		<b>(668,589)</b>	<b>(1,200,633)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from the sale of financial investments / associate		-	407,322
Proceeds from the sale of other financial assets		587,341	-
Proceeds from the sale of tenements		-	250,000
Proceeds from sale of property, plant and equipment		-	95,454
Payment for exploration and evaluation activities		(784,652)	(1,390,336)
Payment for property, plant and equipment		(59,468)	-
<b>Net cash used in investing activities</b>		<b>(256,779)</b>	<b>(638,560)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		771,260	2,193,000
Payments for costs of raising capital		(52,214)	(93,266)
Proceeds from issue of convertible notes, net of transaction costs		940,000	-
Payment of the principal of lease liabilities		(45,639)	(122,348)
Interest paid on Convertible note		(40,110)	-
Interests on lease liabilities		(890)	(2,786)
<b>Net cash from financing activities</b>		<b>1,572,407</b>	<b>1,974,600</b>
Net increase / (decrease) in cash and cash equivalents		647,037	136,407
Effect of exchange rate movements		(2,010)	(12,542)
Cash and cash equivalents at the beginning of the period		1,485,933	753,368
<b>Cash and cash equivalents at the end of the period</b>		<b>2,130,960</b>	<b>877,233</b>

The above statement should be read in conjunction with the accompanying notes.

## Notes to and forming part of the Consolidated Financial Statements

### 1. CORPORATE INFORMATION

The financial report of Arrow Minerals Limited (**Company**) and its controlled entities (**Group**) for the half-year ended 31 December 2020 was authorised for issue in accordance with a resolution of the directors on 15 March 2021. Arrow Minerals Limited is a company incorporated in Australia and limited by shares which are publicly traded on the Australian Securities Exchange.

The principal activities of the Group are to explore for mineral resources in Australia and Burkina Faso.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The half-year condensed consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the *Corporations Act 2001*, and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'. The consolidated financial statements of the Company for the half-year ended 31 December 2020 include the Company and its controlled entities.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2020 and any public announcements made by Arrow Minerals Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The half-year report does not include full disclosures of the type normally included in an annual financial report. For the purposes of preparing the half-year financial statements, the half-year has been treated as a discrete reporting period.

#### (a) New Accounting Standards

The Group has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standard Board ("AASB") that are relevant to their operations and effective for the current reporting period. The adoption of all the new and revised Standards and Interpretations has not resulted in any material impacts on the amounts reported for the current or prior periods. The accounting policies have been consistently applied by the Group and are consistent with those applied in the previous financial year and those of the corresponding interim reporting period, except for the accounting policies described below.

#### (b) Changes to Critical Accounting Estimates and Judgements

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of asset or liabilities affected in future periods.

Please refer to the Group's 30 June 2020 financial statements for information on the Group's judgements, estimates and assumptions.



## **Measurement of fair value financial instruments**

The fair value of the Group's financial investments warrants held in Pacton Gold Inc (TSXV: PAC.V) traded is measured using valuation techniques including the Black-Scholes option pricing model at the end of the reporting period.

## **Measurement of contingent consideration**

When the fair values of financial assets and financial liabilities recorded in the Consolidated Statement of Financial Position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Black-Scholes option pricing model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values.

Contingent consideration, resulting from asset acquisitions, is valued at fair value at the acquisition date as part of the asset acquisition. When the contingent consideration meets the definition of a financial liability, it is subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on a probability weighted payout approach. The key assumptions take into consideration the probability of meeting each performance target (refer to Note 3).

As part of the accounting for the acquisition of Boromo, contingent consideration with an estimated fair value of \$730,955 was recognised as a current liability at the acquisition date. During the period, the first performance milestone was met, with \$557,458 transferred to Issued Capital. The remaining contingent consideration was remeasured to \$146,333 as at the current reporting date.

Please refer to the Group's 30 June 2020 financial statements for further financial instrument disclosures.

### **(c) Going Concern**

The interim condensed consolidated financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the normal course of business.

The Group has incurred a net loss after tax for the half-year ended 31 December 2020 of \$400,878 (31 December 2019: \$5,459,892) and a net cash outflow from operating and investing activities of \$925,368 (31 December 2019: \$1,838,193). Net assets of the Group as at 31 December 2020 were \$11,013,021 (30 June 2020: \$10,608,580). Cash and cash equivalents as at 31 December 2020 of \$2,130,960 (30 June 2020: \$1,485,933).

The ability of the Group to continue as a going concern is dependent on it being able to successfully raise further debt or capital funding, to pursue its current exploration strategy. Management will continue to explore the tenements and the Directors are confident that the Group will be able to continue as a going concern and meet its current liabilities as and when they fall due.

On this basis no adjustments have been made to the financial report relating to the recoverability and classification of the carrying amount of assets or the amount and classification of liabilities that might be necessary should the Group not continue as a going concern. Accordingly, the financial report has been prepared on a going concern basis.

Should the Group be unable to raise further debt or capital with the initiatives detailed above then, the Group may in the future not be able to continue as a going concern and may therefore be required to realise assets and extinguish liabilities other than in the ordinary course of business with the amount realised being different from those shown in the financial statements.

#### **(d) Rounding of amounts to nearest dollar**

In accordance with ASIC Corporations (Rounding in Financial/Director's Reports) Instrument 2016/191, the amounts in the directors' report and in the financial report have been rounded to the nearest dollar.

#### **(e) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### **Financial Liabilities**

##### **Initial recognition and measurement**

All financial liabilities are recognised initially at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

##### **Classification of financial liabilities**

Financial liabilities classified as held-for-trading, contingent consideration payable by the group for the acquisition of a business, and financial liabilities designated at FVtPL, are subsequently measured at fair value. All other financial liabilities recognised by the group are subsequently measured at amortised cost.

The Group's financial liabilities include trade and other payables, and convertible note payables (refer note 3).

Convertible note have embedded derivatives within them. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss.

The convertible note is valued as a financial liability ("Host Debt") with an embedded derivative feature ("Embedded derivative").

##### **Subsequent Measurement**

Subsequent measurement for Host Debt is at amortised costs. Subsequent measurement for Embedded derivative is at fair value through profit and loss.

### **3. CONVERTIBLE NOTE**

On 26 August 2020 the Company issued 1,000,000 unsecured convertible notes at A\$1.00 each, raising \$1,000,000 (before costs of \$60,000). The notes have a 48 months Maturity Date, unless converted prior. Conversion can occur at any time up to the Maturity Date, unless redeemed prior through a Change in Control of the Company or by an Event of Default. The Company also holds the right to redeem the convertibles notes after 36 months and prior to the Maturity Date. There are no specific financial covenants within the Event of Default, although failure to pay any material amounts under the agreement (e.g. interest) and insolvency are Events of Default. The convertible notes have an interest rate of 8% and allow the holder to convert the \$ amount held (Outstanding Amount) into the equivalent amount of shares based on the lower of 0.75 cents per share (being 1.25 times the price of shares issued to the market pursuant to the equity raising on 24 June 2020 (**First Equity Raising**)) and (if lower) 1.25 times the price of a subsequent capital raising. The debt instrument contains an embedded forward, being the conversion feature based on the lower of 0.75 cents and 1.25 times the prevailing price of shares (**Subsequent Equity Raising**), resulting in a variable number of shares.

## Key terms

**Amount issued** 1,000,000 unlisted and unsecured convertible notes of A\$1.00 face value

**Maturity date** 48 months after deed date

**Interest** 8% per annum simple interest until conversion or redemption

**Minimum Amount** 100,000 notes (or \$100,000)

**Conversion** The notes convert into Conversion Shares on the following formula:

$$\text{Number of Conversion Shares} = \frac{\text{Amount Converted ($) *}}{\text{Conversion Price}}$$

*\* has to be greater than the Minimum Amount*

**Conversion Price** means either:

- (i) 1.25 multiplied by the price a Company Share is issued under the First Equity Raising ;
- (ii) 1.25 multiplied by a price a Company Share is issued under a Subsequent Lower Priced Equity Raising (if any)

The financial liability has been accounted for as a derivative financial liability with an embedded derivative feature (the "Embedded Derivative").

### (a) Measurement

The instrument was initially valued as the total fair value of the embedded derivative and host debt contract at issue date, resulting in the following impact to the Financial Statements during the 6 month period to 31 December 2020.

	Initial Valuation \$	31 Dec 2020 \$
<b><u>Balance Sheet</u></b>		
Embedded derivative – financial liability at fair value through profit/loss	(6,988)	(6,914)
Deferred Gain on Convertible note	(142,951)	(142,951)
Host debt contract – financial liability at amortised cost <sup>^</sup>	(790,061)	(816,039)
<b>Total value of Convertible Note on Balance Sheet</b>	<b>(940,000)</b>	<b>(965,904)</b>

<sup>^</sup> The host debt contract implicit interest rate is 14.07%.

#### 4. OTHER FINANCIAL ASSETS

	31 Dec 2020	30 Jun 2020
	\$	\$
Shares in Macarthur Minerals Limited <sup>^</sup>	98,000	272,480
Warrants in Pacton Gold Inc.	2,662	52,234
Financial assets at fair value through profit or loss	<b>100,662</b>	<b>324,714</b>

<sup>^</sup>The group has sold 1,502,997 fully paid ordinary shares in Macarthur Minerals Limited by 31 December 2020. Profit from sale of shares, amounting to \$346,862 has been included within other income \$396,862 in statement of comprehensive income.

#### 5. EXPLORATION AND EVALUATION ASSETS

	31 Dec 2020	30 Jun 2020
	\$	\$
Balance at the beginning of the period	8,865,472	8,550,831
Expenditure incurred during the period	1,121,939	1,716,556
Fair value of tenements on acquisition	-	3,971,285
Impairment recognised during the period (i)	(17,549)	(5,373,200)
Balance at the end of the period	<b>9,969,862</b>	<b>8,865,472</b>
<i>The asset balance comprises of:</i>		
Strickland Gold project	2,514,715	2,134,310
Malinda Lithium Project	589,899	564,350
Boromo Gold Project	5,911,997	5,210,918
Plumridge Nickel and Gold Projects	953,251	955,894
	<b>9,969,862</b>	<b>8,865,472</b>

The ultimate recoupment of exploration and evaluation expenditure carried forward is dependent on successful development and commercial exploitation.

- (i) During the period, the Group assessed that no impairment indicators were noted for the half year period ended 31 December 2020 for the Malinda; Strickland and Boromo Gold projects. The impairment charge for 31 December 2020 was recognised for \$17,549 in relation to Plumridge tenements relinquished or divested during the half year period (30 June 2020: \$4,604,170).

#### 6. OTHER FINANCIAL LIABILITIES

	31 Dec 2020	30 Jun 2020
	\$	\$
Convertible note liability	965,902	-
Contingent consideration	146,333	146,333
<b>Other financial liabilities</b>	<b>1,112,235</b>	<b>146,333</b>

## 7. ISSUED CAPITAL

**31 Dec 2020**
**30 Jun 2020**

Ordinary shares full paid	<u>1,334,638,010</u>	<u>1,200,415,742</u>
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### (a) Movement in ordinary share capital

	<b>No.</b>	<b>\$</b>
<b>Balance at 1 Jul 2019</b>	<b>314,540,609</b>	<b>35,136,180</b>
26 August 2019 Boromo acquisition	289,297,910	2,875,715
31 August 2019 Placement	220,300,000	2,126,999
31 August 2019 ESP share issue	15,500,000	-
31 August 2019 Shares issued to advisers and consultants	4,500,000	45,000
15 October 2019 ESP share buy-back and cancellation	(6,425,357)	-
30 December 2019 Conversion of performance rights	69,682,290	557,458
1 February 2020 ESP share buy-back and cancellation	(3,342,858)	-
6 June 2020 Placement	67,000,000	324,622
24 June 2020 Placement	<u>229,363,148</u>	<u>1,281,688</u>
<b>Balance at 30 June 2020</b>	<b><u>1,200,415,742</u></b>	<b><u>42,347,662</u></b>
26 August 2020 Placement	137,303,518	823,820
Cost of Issue		(52,214)
17 September 2020 ESP buy-back and cancellation	(3,081,250)	-
<b>Balance at 31 Dec 2020</b>	<b><u>1,334,638,010</u></b>	<b><u>43,119,268</u></b>

### Terms and conditions of ordinary shares

Ordinary shares have the right to receive dividends as declared, and in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid upon shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

### (b) Unexpired share options

The following options over ordinary shares of the Company existed at reporting date:

<b>Expiry date</b>	<b>Nos.</b>	<b>Exercise Price (\$)</b>
15/10/2022	10,000,000	0.0125
22/08/2022	120,150,000	0.0200
22/08/2023	37,500,000	0.0145
11/12/2023	<u>3,550,000</u>	0.0100
	<b><u>171,200,000</u><sup>1</sup></b>	

1. These options are unlisted.

### Movements

	<b><u>Nos.</u></b>
Options outstanding as at 1 July 2020	167,650,000
Granted (refer note 7(c))	3,550,000
Expired	-
<b>Options outstanding at 31 Dec 2020</b>	<b><u>171,200,000</u></b>



**(c) Performance rights**

The following performance rights over ordinary shares of the Company existed at reporting date:

<u>Expiry date</u>	<u>Nos.</u>	<u>Exercise Price (\$)</u>
26/08/2022	69,682,290	0.008
26/08/2023	<u>69,682,300</u>	0.008
	<b><u>139,364,590</u></b>	

<u>Movements</u>	<u>Nos.</u>
Performance rights outstanding as at 1 July 2020	139,364,590
Granted	-
Vested	-
Performance rights outstanding at 31 Dec 2020	<b><u>139,364,590</u></b>

**8. SHARE BASED PAYMENTS**

**a) Expenses arising from share-based payment transactions**

Total expenses arising from share-based payment transactions recognised during the period were as follows:

	<u>31 Dec 2020</u>	<u>31 Dec 2019</u>
	<u>\$</u>	<u>\$</u>
Shares – Employee Share Plan (b)	4,936	67,307
Options issued to consultants	-	225,735
Options issued pursuant to Employee Securities Incentive Plan (c)	2,783	-
	<b><u>7,719</u></b>	<b><u>293,042</u></b>

**b) Employee Share Plan**

Refers to shares issued to directors and employees pursuant to the Company's existing shareholder-approved Employee Share Plan (**ESP**).

There have been no new shares issued pursuant to the ESP during the period.

On 17 September 2020, the Company bought back, for no consideration, 3,081,250 shares in accordance with the terms of the ESP.

**c) Employee Securities Incentive Plan**

Refers to securities issued to employees pursuant to the Company's Employee Securities Incentive Plan (**ESIP**). The ESIP was approved by shareholders on 11 November 2019.

During the period, the Company issued 3,550,000 unlisted options exercisable at \$0.01 expiring 11 December 2023 (**ESIP Options**) pursuant to the ESIP. This issue represents the first issue of securities under this plan.

The ESIP Options were valued by applying a Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model for the options:

	ESIP Options
Dividend yield (%)	Nil
Expected volatility (%)	159.78%
Risk free interest rate (%)	0.23%
Exercise price (\$)	\$0.01
Marketability discount (%)	52.87%
Expected life of options (years)	3
Share price at grant date (\$)	\$0.007
Value per option (\$)	\$0.0037

## 9. OPERATING SEGMENTS

AASB 8 '*Operating Segments*' requires operating segments to be identified based on internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The chief operating decision maker has been identified as the Board of Directors.

The Group operates in two segments in the current year, being mineral exploration, and evaluation in Western Australia and Burkina Faso.

The Company is domiciled in Australia. Segment revenues are allocated based on the country in which revenue was earned. Segment assets are allocated to the country where the assets are located.

	Australia \$	Burkina Faso \$	Consolidated \$
<b>Six months Ended 31 December 2020</b>			
Finance income	1,088	-	1,088
Other income	396,862	-	396,862
Total segment revenue	397,950	-	397,950
 Total comprehensive (loss) from continuing operations before tax	 (264,653)	 (144,225)	 (400,878)
<b>As At 31 December 2020</b>			
Segment assets	8,802,867	3,632,636	12,435,503
Total assets of the Group			12,435,503
 Segment liabilities	 1,256,476	 166,006	 1,422,482
Total liabilities of the Group			1,422,482

	Australia	Burkina Faso	Consolidated
	\$	\$	\$
<b>Six months ended 31 December 2019</b>			
Revenue	26,801	-	26,801
Other income	2,499	1	2,500
Total segment revenue	29,300	1	29,301
Total comprehensive (loss) from continuing operations before tax	(5,360,123)	(99,769)	(5,459,892)
<b>As At 30 June 2020</b>			
Segment assets	5,887,609	5,315,038	11,202,647
Total assets of the Group			11,202,647
Segment liabilities	486,461	107,606	594,067
Total liabilities of the Group			594,067

## 10. COMMITMENTS AND CONTINGENCIES

### *Tenement Expenditure Commitments*

The Group has certain minimum obligations in pursuance of the terms and conditions of tenement licences in the forthcoming year. Whilst these obligations are capable of being varied from time to time, in order to maintain current rights of tenure to mining tenements, the Group will be required to outlay a further \$1,162,982 in the 12 month period to December 2021 (30 June 2020: \$855,250). Exploration commitments include requirements under joint ventures for tenements held by other entities.

	31 Dec 2020	30 June 2020
Up to 1 year	1,162,982	855,250
Between 1 and 5 years	2,124,164	2,878,428
More than 5 years	-	-
	<b>3,287,146</b>	<b>3,733,678</b>

The exploration expenditure commitment for the Group for later than 2 years but not later than 5 years is uncertain as the tenements require re-application prior to this date of which the outcome is not certain.

## 11. SUBSEQUENT EVENTS

On 13 January 2021, the Company bought back, for no consideration, 2,256,250 shares previously issued under the Employee Share Scheme.

On 26 February 2021, the Company announced that it had signed a binding term sheet (**Agreement**) that sets out terms for an exploration joint venture with Trevali Mining Corporation (TSX: TV) (**Trevali**) wherein both parties receive reciprocal exploration rights to their exploration permits in a highly prospective gold belt in Burkina Faso. The Agreement covers eight exploration licences – Kikio, Kordie, Pilimpikou, Semapoun, and Viveo (100% Trevali); and Divole East, Divole West and Dyapya (100% Arrow). The

Agreement provides for Arrow to perform gold exploration over the Trevali permits and a reciprocal arrangement for Trevali to undertake base metals exploration on Arrow's permits.

On 4 March 2021, the Company announced the results from its successful reverse circulation (**RC**) drilling programme recently completed at the Dassa gold deposit on the Divole West exploration permit in Burkina Faso. Drilling has expanded the gold mineralisation to a strike length of more than 900m. The shallow, mostly oxide-hosted gold mineralisation is continuous along strike and to a depth of more than 150m.

Other than the above, there have been no events subsequent to balance date of a nature that would require disclosure.

## **12. RELATED PARTY & KEY MANAGEMENT PERSONNEL DISCLOSURES**

The parent entity and the ultimate parent entity of the Group is Arrow Minerals Limited, a company listed on the Australian Securities Exchange.

### ***Transactions with key management personnel***

Mr Golden's remuneration package comprises an annual salary of \$250,000 per annum plus statutory superannuation contributions, payable monthly in arrears.

Mr McKeith is entitled to \$36,000 per annum plus statutory superannuation contributions in remuneration for his services as Non-Executive Director, payable monthly in arrears.

Dr Tabeart's remuneration for his services as Non-Executive Chairman amounts to \$48,000 per annum (ex GST), which is paid directly to his related party, Geogen Consulting Pty Ltd. No additional fees were paid to Geogen Consulting Pty Ltd for consulting services.

The Company entered into a service agreement with Mitchell River Group Pty Ltd effective 6 July 2016 for the provision of exploration database management services. Dr Tabeart is a related party of Mitchell River Group Pty Ltd and Arrow Minerals Limited.

During the half-year, an amount of \$7,893 (Dec 2018: \$7,722) inclusive of GST was paid or payable in relation to these services.

The Company entered into a service agreement with GenGold Resources Capital Pty Ltd effective 1 September 2019 for the hire of minor exploration equipment. Mr McKeith is a related party of GenGold Resources Capital Pty Ltd and Arrow Minerals Limited.

During the half-year, an amount of \$3,750 (Dec 2019: \$1,500) inclusive of GST was paid or payable in relation to these services.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties.

### ***Parent and subsidiaries***

The parent entity and the ultimate parent entity of the Group is Arrow, a company listed on the Australian Securities Exchange.

The components of the Group are:

		Ownership Percentage	
	Incorporated	31 Dec 2020	30 Jun 2020
<b><i>Parent</i></b>			
Arrow Minerals Limited	Australia	-	-
<b><i>Controlled entities</i></b>			
Boromo Gold Pty Ltd	Australia	100%	100%
GenGold Resources Burkina	Caymans	100%	100%
Gold Square Resources SASU	Burkina Faso	100%	100%
Farafina Resources SASU	Burkina Faso	100%	100%
Fofora Resources SASU	Burkina Faso	100%	100%
Black Star Resources Africa SASU	Burkina Faso	100%	100%
Arrow (Strickland) Pty Ltd	Australia	100%	100%
Arrow (Malinda) Pty Ltd	Australia	100%	100%
Arrow (Plumridge) Pty Ltd	Australia	100%	100%
Arrow (Leasing) Pty Ltd	Australia	100%	100%
Arrow (Deralinya) Pty Ltd	Australia	100%	100%
Arrow (Pardoo) Limited	Australia	100%	100%
Edurus Resources SA	South Africa	100%	100%

### **13. FAIR VALUE OF ASSETS AND LIABILITIES**

Fair value hierarchy

AASB 13: Fair Value Measurement requires disclosure of fair value measurements by level of the fair value hierarchy, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that is not based on observable market data (unobservable inputs)

The fair value of the Group's financial assets in quoted equity shares held traded on an active market is based on quoted (unadjusted) market prices at the end of the reporting period. The quoted market price

used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

The fair value of the Group's financial investments in unquoted equity warrants are not traded on an active market and are based on significant observable inputs (level 2) at the end of the reporting period. These instruments are included in level 2.

The fair value of the Group's convertible notes embedded derivative component are not traded on an active market and are based on significant observable inputs (level 3) at the end of the reporting period. These instruments are included in level 3. The significant observable inputs used includes the historical volatility rate, and interest rate.

The fair value of the Group's contingent consideration is measured using management's weighted probability of performance milestone. These instruments are included in level 3.

<b>31 December 2020</b>					
	<b>Date of valuation</b>	<b>Total \$</b>	<b>Quoted prices in active markets (Level 1) \$</b>	<b>Significant observable inputs (Level 2) \$</b>	<b>Significant unobservable inputs (Level 3) \$</b>
<b>Assets measured at fair value</b>					
Shares in Listed Companies	31 Dec 2020	98,000	98,000	-	-
Unquoted Warrants in Listed Companies	31 Dec 2020	2,662	-	2,662	-
<b>Liabilities measured at fair value</b>					
Convertible notes embedded derivatives	31 Dec 2020	6,914	-	-	6,914
Contingent consideration	31 Dec 2020	146,333	-	-	146,333
<b>30 June 2020</b>					
<b>Assets measured at fair value:</b>	<b>Date of valuation</b>	<b>Total \$</b>	<b>Quoted prices in active markets (Level 1) \$</b>	<b>Significant observable inputs (Level 2) \$</b>	<b>Significant unobservable inputs (Level 3) \$</b>
Shares in Listed Companies	30 June 2020	272,480	272,480	-	-
Unquoted Warrants in Listed Companies	30 June 2020	52,234	-	52,234	-
<b>Liabilities measured at fair value</b>					
Contingent consideration	30 June 2020	146,333	-	-	146,333

## Directors' Declaration

In accordance with a resolution of the Board of Directors, I state that:

In the opinion of the Directors:

1. The consolidated financial statements and accompanying notes set out on pages 12 to 27 are in accordance with the *Corporations Act 2001*, including:
  - a. giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the period ended on that date; and
  - b. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*; and
2. Subject to the matters set out in note 2(c), there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and
3. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the period ended 31 December 2020.

On behalf of the Board



**Howard Golden**  
**Managing Director**

Perth, 15 March 2021



**ARROW MINERALS LIMITED**  
**ABN 49 112 609 846**  
**INDEPENDENT AUDITOR'S REVIEW REPORT**  
**TO THE MEMBERS OF ARROW MINERALS LIMITED**

## **Conclusion**

We have reviewed the half-year financial report of Arrow Minerals Limited, (the "Company") and its controlled entities (the "Group"), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Arrow Minerals Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

## **Basis for Conclusion**

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of *Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

## **Material Uncertainty Related to Going Concern**

Without modifying our opinion, we draw attention to Note 2(c) in the financial report, which indicates that the Group incurred a net loss of \$400,878 during the half-year ended 31 December 2020 and, as of that date, a net cash outflow from operating and investing activities was \$925,368. These conditions, along with other matters as set forth in Note 2(c), indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

## **Directors' Responsibility for the Half-Year Financial Report**

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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ARROW MINERALS LIMITED  
ABN 49 112 609 846  
INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF ARROW MINERALS LIMITED

**Auditor's Responsibility for the Review of the Financial Report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

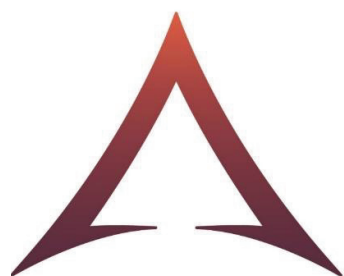
Pitcher Partners BA&A Pty Ltd

PITCHER PARTNERS BA&A PTY LTD



JOANNE PALMER  
Executive Director  
15 March 2021

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